

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2008 - HB 1971

March 9, 2014

SUMMARY OF BILL: Requires a dependent child of a military domiciliary resident with an intellectual disability, if qualified and eligible, to be enrolled in home- and community-based services (HCBS) available under the Department of Intellectual and Developmental Disabilities (DIDD).

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$179,900/FY14-15
\$1,076,400/FY15-16
Exceeds \$1,076,400/FY16-17 and Subsequent Years

Increase Federal Expenditures - \$335,000/FY14-15
\$2,004,700/FY15-16
Exceeds \$2,004,700/FY16-17 and Subsequent Years

Assumptions:

- According to DIDD, the waiting list for services is over 7,100 people. The department does not have any data as to the number of dependent children of military domiciliary residents with intellectual disabilities, either now residing in Tennessee or who will be coming into Tennessee, which will be eligible and become enrolled in the waiver services.
- The department estimates at least 2 individuals per month, or an average of 24 individuals per year, will be enrolled as a result of the proposed legislation.
- According to DIDD, the department has three waiver programs. The average cost per day for the three waivers is \$227 per day.
- The effective date is January 1, 2015.
- It is estimated that an additional 12 individuals will meet the proposed requirements and be enrolled in services in FY14-15. These individuals, on average, will be enrolled in services for 183 days resulting in expenditures of \$498,492 (12 people x \$227 per day x 183 days).
- It is estimated that an additional 24 individuals will receive services in FY15-16 and, on average, will receive 365 days of services resulting in an increase in expenditures of \$2,982,780 [(12 + 24 enrollees) x \$227 per day x 365 days].

- It is assumed that these individuals will attain Medicaid eligibility by virtue of their enrollment in the waiver services. According to the Bureau of TennCare, the average cost per person per year is \$2,732.
- The increase in expenditures to the TennCare program are estimated to be \$16,392 (12 individuals x \$2,732 x .50) in FY14-15 and \$98,352 (36 individuals x \$2,732) in FY15-16.
- The waiver and Medicaid expenses will receive a federal match rate estimated to be 65.065 percent. For purposes of this estimate, it is assumed that the federal match rate will remain constant.
- The total costs in FY14-15 are estimated to be \$514,884 (\$498,492 + \$16,392). Of this amount, \$179,875 (\$514,884 x .34935) will be state funds and \$335,009 (\$514,884 x .65065) will be federal funds.
- The total costs in FY15-16 are estimated to be \$3,081,132 (\$2,982,780 + \$98,352). Of this amount, \$1,076,393 (\$3,081,132 x .34935) will be state funds and \$2,004,739 (\$3,081,132 x .65065) will be federal funds.
- The state and federal expenditures for this bill will continue beyond FY15-16, but due to a number of unknown factors, including but not limited to, the rate of increase for military domiciliary residents and the federal matching rate in the out years, an exact impact cannot be determined. It is estimated that any increase in expenditures in FY16-17 and subsequent years will exceed \$1,076,393 in state funds and will exceed \$2,004,739 in federal funds.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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